Corporation

RIVERSIDE SILK MILLS, LIMITED

BALANCE SHEET

December 31, 1946

ASSETS

CURRENT ASSETS:		
Cash on hand and in bank	532,168.33	
Accounts receivable, less bad debts reserve of $5,000.00	71,457.51	
Inventory of merchandise and supplies, as determined and certified by the management, raw materials and supplies at the lower of laid-down cost or market, and finished goods and goods in process at factory cost	95,757.72	
Less Inventory Reserve	40,000.00— 55,757.72	
Employees' balances re bond subscriptions	17,847.05	
Prepaid insurance	5,835.83—	683,066.44
Sundry Investments at cost		575.00
Refundable Portion of Excess Profits Taxes		36,960.25
CAPITAL ASSETS at replacement value as of April 10, 1928, as per appraisal of Dominion Appraisal Co. Limited, plus subsequent additions at cost, less disposals:		
Land	12,850.00	
Buildings	273,545.97	
Machinery and equipment	729,368.72	
	1,015,764.69	
Less Depreciation reserve	720,925.70—	294,838.99
		$1,015,440.68

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable and accrued wages	50,745.32	
Dividend Class A Shares, payable January 2, 1947	15,000.00	
Bank Loan re employees' bonds	18,670.30	
Provision for rebate on war contracts	13,142.10	
Provision for income and excess profits taxes	33,103.14—	130,660.86
CAPITAL STOCK AND SURPLUS:		
Capital stock, authorized and issued:		
30,000 Class A shares and 20,000 Class B shares, all of no par value	300,000.00	
Surplus	584,779.82—	884,779.82
The Class A shares are entitled to a cumulative dividend of $2.00 per annum and are participating after $2.00 has been paid on Class B shares. They have a priority of $30.00 per share and accrued dividends on winding up, after which Class B shares are entitled to receive an amount calculated at $2.00 per year since 1929, less the amount of any dividends up to $2.00 per year paid in any year since 1929. Both classes share equally on any further distribution of assets.		
		$1,015,440.68

PROFIT & LOSS AND SURPLUS ACCOUNT

Year ended December 31, 1946

Surplus, December 31, 1945			544,762.10
Profit for year before undernoted charges		237,145.00	
Less:			
Provision for depreciation	31,336.53		
Provision for income and excess profits taxes	100,347.00—	131,683.53	
Net Profit for year		105,461.47	
Profit on sale of bonds		18,556.25	
Adjustment applicable to a prior year		16,000.00—	140,017.72
			684,779.82
Deduct:			
Dividends on Class A shares		60,000.00	
Dividends on Class B shares		40,000.00—	100,000.00
Surplus, December 31, 1946			$584,779.82

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Riverside Silk Mills, Limited, for the year ended December 31, 1946, and report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us and as shown by the books of the Company. All our requirements, as auditors, have been complied with.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

Toronto, February 4, 1947.